



DEBT MANAGEMENT ISSUES

The use of debt has always been a primary issue in the development of the Capital Improvement Program and the policies to implement the Growth Management Program. Over the years, the city has issued millions of dollars of bonds and Certificates of Participation (COPs) to fund streets, buildings, sewer and water facilities, open space acquisitions, and other infrastructure projects. The city is continually evaluating its outstanding debt as well as potential future issues to ensure that interest costs are kept at a minimum and the use of the bond funds is appropriate.

Under state finance law, the city's outstanding general obligation debt may not exceed 15 percent (as adjusted by 25%, per the law) of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds. For the last 10 years, the city's general obligation debt has been under 5% of the total calculated debt limit.

During fiscal year 2008-09, the city's General Fund paid off the remaining balance of the \$6.6 million debt issued in 1997 for Hosp Grove Refunding, Certificates of Participation. Prior to the retirement of this debt, average annual debt service payments for the General Fund were approximately \$750,000. Since Fiscal Year 2008-09, no debt service payments have been required of the General Fund, and no new debt is anticipated for the General Fund in the coming year.

Of the approximately \$116 million of debt currently outstanding, none will be paid back using General Fund monies. Rather, the debts will be repaid from sewer revenues, golf course revenues and from property owners benefiting from the improvements built with bond proceeds. The city has no obligation to advance funds to the assessment districts if the property owners do not pay.

The table on the following page provides additional information on debt issued by the City of Carlsbad.

CITY OF CARLSBAD BUDGET HIGHLIGHTS

The following table identifies the debt the city has issued, the outstanding principal balance, the 2011-12 scheduled principal and interest payments, and the scheduled year of payoff.

City of Carlsbad Debt Outstanding						
Bond Name	Repayment Source	Original Bond Issue	Outstanding Principal At 6/30/11	2011-12 Payment P&I	Final Payment FY	
Carlsbad Public Financing Authority Bonds						
Revenue Bonds	Golf Course Enterprise Revenue	\$ 18,540,000	\$ 17,670,000	\$ 1,110,750	2037	
1997 Hosp Grove Refunding						
Certificates of Participation	General Fund	\$ 6,595,000	\$ -0-	\$ -0-	PAID	
1996 Refunding Encina JPA						
Tax Allocation Bonds	Sewer Enterprise Revenue	\$ 11,080,000	\$ 3,365,000	\$ 932,469	2015	
1993 Redevelopment						
Tax Allocation Bonds	Redevelopment	\$ 15,495,000	\$ 9,735,000	\$ 1,038,765	2024	
CFD #3 2006 -Improvement Area 1						
Special Tax Bonds	Special District	\$ 11,490,000	\$ 10,745,000	\$ 758,659	2037	
CFD #3 2008-Improvement Area 2						
Special Tax Bonds	Special District	\$ 18,175,000	\$ 14,120,000	\$ 1,056,648	2039	
Subtotals		\$ 81,375,000	\$ 55,635,000	\$ 4,897,291		
2005 Poinsettia Lane East (AD 2002-1)						
Limited Obligation Improvement Bonds	Assessment District	\$ 33,085,000	\$ 29,975,000	\$ 2,131,490	2036	
2003 College Boulevard-Cannon Road (AD 2003-1)						
Limited Obligation Improvement Bonds	Assessment District	\$ 11,760,000	\$ 10,605,000	\$ 834,088	2035	
1997 Reassessment District (ReAd 1997-1)						
(College & Alga) Limited Obligation Improvement Bonds	Assessment District	\$ 18,475,000	\$ -0-	\$ -0-	PAID	
1997 Carlsbad Ranch (AD 95-1)						
Limited Obligation Improvement Bonds	Assessment District	\$ 10,175,438	\$ 6,055,000	\$ 693,660	2023	
1998 Rancho Carrillo (AD 96-1)						
Limited Obligation Improvement Bonds	Assessment District	\$ 19,600,000	\$ 14,120,000	\$ 1,246,160	2029	
Subtotals		\$ 93,095,438	\$ 60,755,000	\$ 4,905,398		
Totals		\$ 174,470,438	\$ 116,390,000	\$ 9,802,689		

BUDGET SUMMARY

FISCAL YEAR 2011-12

PROGRAM AREA	PROJECTED BALANCE July 1, 2011	ESTIMATED REVENUES	ADOPTED BUDGET	FUND TRANSFERS & CHANGES	PROJECTED BALANCE June 30, 2012
OPERATING BUDGET					
Policy / Leadership Group			\$ 5,283,434		
Internal Services			27,162,236		
Community Development			17,282,485		
Community Services			25,026,414		
Public Safety			45,292,666		
Public Works			62,786,928		
Non Departmental & Contingencies			10,982,390		
Golf Course				-	
SUBTOTAL OPERATING	\$ 115,028,096	\$ 197,167,953	\$ 193,816,553	\$ -	\$ 118,379,496
CAPITAL IMPROVEMENT PROGRAM					
Fiscal Year 2011-12	\$ 450,932,419	\$ 33,411,742	\$ 64,706,953		\$ 419,637,208
2010-11 Continuing Appropriations					(179,061,964)
Projected CIP Fund Balance at June 30, 2012					240,575,244
TOTAL OPERATING AND CAPITAL	\$ 565,960,515	\$ 230,579,695	\$ 258,523,506	\$ -	\$ 358,954,740

FISCAL YEAR 2010-11

PROGRAM AREA	PROJECTED BALANCE JULY 1, 2010	PROJECTED REVENUES	ESTIMATED EXPENDITURES	FUND TRANSFERS & CHANGES	PROJECTED BALANCE JUNE 30, 2011
OPERATING BUDGET					
Policy / Leadership Group			\$ 5,211,047		
Internal Services			27,861,442		
Community Development			19,273,677		
Community Services			23,402,961		
Public Safety			44,256,529		
Public Works			61,876,170		
Non Departmental & Contingencies			8,692,850		
Golf Course				(1,870,755)	
Changes in Reservations and Designations				(1,393,173)	
SUBTOTAL OPERATING	\$ 112,494,596	\$ 196,372,104	\$ 190,574,676	\$ (3,263,928)	\$ 115,028,096
CAPITAL IMPROVEMENT PROGRAM					
Fiscal Year 2010-11	\$ 414,326,656	\$ 75,238,869	\$ 40,503,861	\$ 1,870,755	\$ 450,932,419
TOTAL OPERATING AND CAPITAL	\$ 526,821,252	\$ 271,610,973	\$ 231,078,537	\$ (1,393,173)	\$ 565,960,515

PERSONNEL ALLOCATIONS

	FINAL BUDGET 2009-10	FINAL BUDGET 2010-11	FINAL BUDGET 2011-12	2011-12 CHANGES
POLICY AND LEADERSHIP GROUP				
CITY COUNCIL	1.00	1.00	1.00	0.00
CITY TREASURER	0.75	0.75	0.75	0.00
CITY MANAGER	8.00	8.00	7.00	(1.00)
COMMUNICATIONS	2.75	2.75	2.75	0.00
CITY ATTORNEY	7.00	7.00	7.00	0.00
RECORDS MANAGEMENT	8.00	8.00	6.25	(1.75)
COMMUNITY AND ECONOMIC DEVELOPMENT				
COMMUNITY AND ECONOMIC DEVELOPMENT	56.00	54.00	50.00	(4.00)
FINANCE				
FINANCE AND RISK MANAGEMENT	31.00	30.50	30.50	0.00
FIRE				
FIRE	88.75	88.75	87.75	(1.00)
HOUSING AND NEIGHBORHOOD SERVICES				
HOUSING AND NEIGHBORHOOD SERVICES	11.00	11.00	13.00	2.00
HUMAN RESOURCES				
HUMAN RESOURCES & WORKERS COMP	10.00	9.00	9.00	0.00
INFORMATION TECHNOLOGY				
INFORMATION TECHNOLOGY	23.00	22.50	22.50	0.00
LIBRARY & ARTS				
LIBRARY & ARTS	53.00	52.25	51.25	(1.00)
PARKS AND RECREATION				
PARKS AND RECREATION	72.95	71.95	70.95	(1.00)
POLICE				
POLICE	162.00	162.00	162.00	0.00
PROPERTY AND ENVIRONMENTAL MANAGEMENT				
PROPERTY AND ENVIRONMENTAL MANAGEMENT	43.25	41.60	39.60	(2.00)
TRANSPORTATION				
TRANSPORTATION	62.35	58.40	54.40	(4.00)
UTILITIES				
MAINTENANCE AND OPERATIONS	71.95	69.55	68.55	(1.00)
FULL AND 3/4 TIME LABOR FORCE	712.75	699.00	684.25	(14.75)

SUMMARY OF REQUESTED LABOR FORCE BY CATEGORY				
	2009-10	2010-11	2011-12	Difference
Full Time Personnel	707.50	694.50	679.75	(14.75)
3/4 Time Personnel in Full Time Count	5.25	4.50	4.50	0.00
Limited Term Personnel	3.50	0.00	0.00	0.00
Unfunded Full Time Positions	(12.00)	(6.00)	(3.00)	N/A
Hourly Full Time Equivalent Personnel	138.44	138.94	139.74	0.80
TOTAL LABOR FORCE*	842.69	831.94	820.99	(13.95)